(c) whether Government would issue any guidelines in this regard in view of the water crisis and the fury of pollution?

THE MINISTER OF STATE IN THE MINISTRY OF URBAN DEVELOPMENT AND POVERTY ALLEVIATION (SHRI O. RAJAGOPAL): (a) and (b) No information is available regarding acquisition of land for construction of houses, shops, markets, etc in the cities by filling up old ponds, lakes, etc. with waste materials.

(c) Matter relating to proper disposal of waste materials is the responsibility of State Governments and Urban Local Bodies. The Ministry of Environment and Forests have issued Municipal Solid Waste (Management & Handling) Rules, 2000, under the Environment Protection Act. The Central Government has also requested the State Governments to adopt rainwater harvesting to replenish ground water sources. In respect of Delhi, the building bye-laws have also been amended to make rainwater harvesting mandatory.

Evaluation of Schemes for Alleviation of Urban Poverty

2059. SHRI SURESH PACHOURI: Will the Minister of URBAN DEVELOPMENT AND POVERTY ALLEVIATION be pleased to state:

(a) the details of various schemes under implementation for alleviating urban poverty;

(b) how far these schemes have helped in alleviating urban poverty;

(c) the steps taken to ensure proper implementation of these schemes;

(d) whether any evaluation/study has been conducted to determine effectiveness of these schemes; and

(e) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF URBAN DEVELOPMENT AND POVERTY ALLEVIATION (SHRI O. RAJAGOPAL): (a) The Ministry of Urban Development and Poverty Alleviation has been implementing through the State Governments/UTs, a Centrally Sponsored Urban Poverty Alleviation Programme named Swarna Jayanti Shahari Rozgar Yojana (SJSRY) on all India basis, with effect from 1.12.1997 with a view to providing gainful employment to the urban unemployed or under-employed poor through (i) encouraging the setting up of self-employment ventures by those who have read upto 9th standard and (ii) provision of

wage employment by utilising their labour for construction of socially and economically useful public assets. The scheme is funded in the ratio of 75:25 between the Centre and the State.

(b) Based on the reports received from the State Governments/UTs till 30th June, 2002 urban poor numbering about 4.40 lakh have been assisted through setting up of micro enterprises, 4.11 lakh received training and 402.85 lakh mandays of work have also been generated with the utilisation of funds amounting to Rs. 917.27 crore (approximately).

(c) The States/UTs are persuaded from time to time for more effective implementation of the scheme. In addition, close monitoring is done at the Central level through periodical review meetings/field visits and Quarterly Progress Reports.

(d) Yes, Sir. Concurrent evaluation/study of SJSRY in six States, *viz.*, Andhra Pradesh, Karnataka, Madhya Pradesh, West Bengal, Rajasthan and Uttar Pradesh have been made.

(e) The gist of findings/recommendations of these concurrent evaluation/studies are given in the Statement.

Statement

Gist of findings/recommendations of SJSRY Schemes in six States

ANDHRA PRADESH

Progress of SJSRY in Andhra Pradesh: The State Government accorded high priority to (i) UWEP and (ii) promotion of Thrift and Credit Societies. The reasons for emphasis on these programmes are not difficult to guess and the interested parties are municipality and the CDS. It is also reported that a good portion of allocations under USEP was diverted towards financing of the State scheme "Chief Minister's Employment of Youth". The banks sanctioned loans at lower amounts. There is not much of link up between micro enterprises and training programmes. No post training evaluations about the impact of earning capacities of the trainees has been done. Material labour ratio of 60:40 is not stricity observed.

Urban local bodies: Identification of clients on the basis of house to house surveys, extension work among the prospective beneficiaries and formulation of Locality Funds Development Plans for ensuring convergance

of Public services in the localities of urban poor are specialized jobs and call for considerable investments of time and money. However, the guidelines seem to assume that these functions could be performed by ULB by engaging low paid personnel on contract basis. And also that these can be carried out with a very low budget. The ULBs should be endowed with authority to secure the needed consulting services. The staff exclusively meant for implementation of the programme should also receive formal training. According to the report the initiatives taken by the municipal authorities in promoting DWCUA groups are commendable. They have shown imagination in deregulating some of the municipal functions sand assigning them on contract basis to the DWCUA groups. They did not hesitate in extending guarantee on behalf of these groups and arranging bank loans for them.

Community organisations: The performance of community organisations in the context of construction of civil works under UWEP and infrastructure facilities under USEP and also supervising the execution of low cost sanitation programme in their localities has been assessed as satisfactory.

Commercial banks: The banks sanction smaller amount than the required for starting micro enterprises. For sanctioning higher amounts, they prefer the assurance with regard to repayment particularly from municipal authorities. The hesitation in extending loans is mainly on account of banks apprehensions about repayment. The study suggested alternative institutional arrangement as a solution to the persisting problem.

Indentification of clients: It needs be clearly stated that the basis for determining the eligibility is the income of the household whatever may be its source and not limited under the wage earnings of the head of the household. The reliance on present scale of non-economic parameters needs review for proper identification of poorest among the poor. Also while the client is considered for subsidy provision under USEP, other Members of his/her family were found to be availing other benefits of the Yojana as well.

Budgeting: Accumulation of unspent balances with the field agencies is manifestation of general systems failure. Efforts are required for adoption of bottom-up approach before finalisation of budgets. While not allowing re-appropriation from one component to another acts as deterrent against

funds diversion, this action could stifle local initiatives and innovations to meet local needs. There has also to be some incentive systems for good performance. Sub-critical allocations also need be avoided. Releasing funds towards the end of financial year is surely not the best way towards efficient financial management at the ULB level. The apportionment of expenditure between Centre and the State should be in the prescribed ratio of 75:25 in order to discourage the States to first book the expenditure incurred to the Central share and balance only to their share. This would put pressure on the State to release their share in time.

Supervision and control: State should be asked to keep data in two parts *i.e* the cumulative position upto the reference year/quarter and the progress made during the reference period instead of its providing year-wise information right from inception of the scheme. Data should also be collected for other vital items like A&OE, investments made for strengthen of UPE Cells, expenditure on preparation of locality development plans, wage bill of UWEP, amount spent by way of stipends, tool kits, etc. and comparative data of targets and achievements and also much more of other requisites under the scheme.

Review and revamping of procedures: There are duplications, wastages in the procedures followed in benefits provision *e.g.* processing of loan applications at different levels till receipt/process in bank. This results in avoidable delays and additional expenditure. The report suggests joint inspections by bank and ULB staff on loan applicants proposals or banks to sanction loans relying solely on verifications and guarantee of CDS (a big question mark). Local employment potential surveys must be carried out by professional consultants before launching training programmes. Prospective employers from the organised sector should be involved in the decision-making.

Performance indicators: with the lower range of loans sanctioned under USEP/DWCUA, there has been lower range of subsidy too. Even the expenditure per trainee has been much low as compared to the ceiling fixed. The ceilings under UWEP are also not followed strictly, thus leading to more expenditure for ensuring employment. Under Community Structure while useful indicators could be expenditure per client on activities involved in ensuring convergence of services, data in that regard was not maintained. The report suggests that impact studies should be carried out at periodical intervals. The overall impact under different components of the scheme is

reported to be satisfactory. The enterprises assisted under USEP/DWCUA are operating profitably/satisfactorily and because of the improved economic status, the women have a better say in the family decisions.

Guidelines document: Guidelines require modification.

Perspective Plan: Targets have not been set under the Programme.

Overall assessment: Towards accomplishing objectives under the programme, considerable efforts have to be made towards information dissemination and education among the target clients. The scheme has not succeeded much in enlisting cooperation from NGOs. The field surveys have however brought out one welcome feature very clearly. This scheme has succeeded in good measure in promoting a new awareness among urban poor women. Their economic position has steadily improved and with this, they have a say in household decisions. They, as a group, have come to be recognized as a formidable force to reckon within municipal politics.

KARNATAKA

Indentification of BPL families

Neither the non-economic parameters as suggested under the guidelines for identification of genunie beneficiaries have been applied in determining urban BPL families in the State of Karnataka nor they have been given appropriate weightage at the stage of selection of beneficiaries for extending benefits under SJSRY.

Criteria for allocation of funds under SJSRY

Instead of taking BPL population, the State of Karnataka has taken the total population of a local body as a base, which has induced disparities in allocation of funds as the percentage of BPL population varies from one ULB to another ULB.

Community organisations and project administration

The elected members of the municipalities have a vested interest in the selection/election of RCVs, NHC conveners and CDS office bearers and also they alongwith the area MLA and MPs try to interfere with the functioning of community-based structures

Inadequacies in the budgeting arrangements

The budgetary arrangements should be reviewed to avoid idling of huge sums of money, which could have been diverted to more purposeful uses.

Component-wise budget allocation

Component-wise budget allocation made by DMA is not in the conformity with the pattern laid by this Ministry. The DMA may be advised to re-determine component-wise allocation.

Self-employment through setting up micro enterprises

2.2% of the BPL families have been financed for setting up micro enterprises over a period of 3 years. It has been suggested that (a) ULBs may be urged to develop a compendium of viable projects/activities (b) the GOI's instruction for creation of a district level data base may be implemented forthwith (c) the POs and COs should play a more active role in coordination with the banks.

DWCUA

Though the amount of subsidy should not exceed the amount of loan, here the subsidy has been released far in excess of the loan amount. (Loan-Rs. 153.24 lakhs; Subsidy-Rs. 285.51 lakhs). The percentage of families benefited under this scheme is only 0.38 and therefore the achievement is insignificant.

Thrift and credit society

The number ofTCGs formed is too small considering that the number of BPL families is around 9 lakhs.

Training and Infrastructure

As per the guidelines, the ULBs are to provide infrastructure support to potential BPL entrepreneurs in terms of selling places in the form of Kiosks and rehri markets. However, this has not been done.

Urban Wage Employment Programme (UWEP)

The main-days of work generated has been indicated as Rs. 27.47 lakhs which seems to be incorrect as the expenditure on the material

component has been reckoned as nil. The MIS format is defective. The procedures followed and the records maintained are deficient. Beneficiary-wise data is not available.

Suggestions are that the procedure for employment of labour under the wage employment scheme may be streamlined so that the scheme benefits the genuine BPL households on an equitable basis. Chief executives of ULBs may be authorized to allow higher rates of wage. Expenditure under the scheme should be displayed distinctly for the material and the labour components. Non BPL should be offered employment only when BPL persons are not available.

Administration and Office Expense

The A&OE should be linked to total annual expenditure under SJSRY instead of total budgetary allocation. The MIS format is inadequate and needs to be modified suitably.

Information, Education and Communication

Though the guidelines says that the States may utilise upto 2% of their allocation for activities under the IEC components, the DMA founds to have not earmarked any funds directly under this head. The MIS format also does not capture any information on IEC, which needs to be modified.

Monitoring System

The formats of monthly progress report submitted by ULBs to DMA and that of the quarterly progress report submitted by DMA to the Ministry have inadequacies and may be reviewed and re-structured suitably.

Impact Evaluation

Design and conduct of the survey was faulty with the result that the poorest of the poor have not been identified. The way the wage employment component is being administered; there is no certainty that its beneficiaries are primarily BPL persons. The scheme has so far made hardly any impact on raising income of the families. However, formation of community organization with women in the forefront has generated general awareness among women and brought them together on a common platform. It is considered that the scheme if implemented properly has the potential of making a dent on urban poverty and raising the status of women and children.

MADHYA PRADESH

Allocation of funds:

The State Government has taken the total urban population of a district as a base instead of considering the BPL population for the purpose of allocation of funds. It may lead to inter-town disparities, as the town with lower percentage of BPL population will get higher per capita budgetary allocation.

Community organizations and Project Administration:

The elected members of municipalities interfere with plans of DUDA and ULBs to get approval of projects outside the action plans of CDS. Considering the nature of duties and responsibilities of their COs, the salary structure and the terms and conditions of their appointment call for a review.

Component-wise budget allocation:

Component-wise budget allocation received by Directorate of Municipal Administration and Development does not conform to the pattern laid down by the Department of UEPA.

Micro enterprises:

In order to bring down the rate of rejection of loan applications and for timely processing the applications, DUDA may be urged to develop a compendium of viable projects/activities and make it available to the potential beneficiaries for guidance.

DWCUA (Sellf-employment Ventures):

The achievement under this Component is insignificant considering the fact that out of the total number of BPL families (11 Lakhs) the percentage of families benefited is only 0.06.

Thrift and Credit Groups:

Number of T&C groups formed is very small considering that the number of BPL families. Since most of the TC groups have not completed one year after their formation have not yet became entitled to the grant of revolving fund.

Infrastructure support:

The prescribed MIS format did not seek particulars of the infrastructure facilities created for the urban poor. ULBs/DUDA may be urged to act as per the guidelines.

Urban Wage Employment Programme:

The Muster Rolls do not show whether or not the person employed belong to a BPL family. It is suggested that the procedure for employment of labour under this scheme may be streamlined so that it benefits the genuine BPL households on an equitable basis. Expenditure under the scheme should be displayed distinctively for the material and the labour components. There should be no discrepancy between the reported man-days and actual man-days of work generated. Also the Muster Rolls should clearly indicate whether or not the person employed belongs to BPL family.

Administration and Office Expenses:

There is an infirmity in the guidelines in as much as they link 'A&OE' to the allocated funds and not to the actual expenditure. More appropriately, the 'A&OE' should be linked to total annual expenditure under SJSRY instead of total budgetary allocation. Also the MIS format is inadequate in as much as it does not capture information under "A&OE". Thus the MIS format needs to be modified suitably.

Information, Education and Communication:

DMAD has not earmarked any funds directly under this head although the guidelines provide 2% of their allocation. The monthly progress report submitted by DUDAs to the DMAD and the MIS format of the Ministry do not provide any information on 'IEC'. There is a need to rectify these deficiencies.

Monitoring System: The formats of monthly progress report submitted by ULBs to DMAD and that of the quarterly progress report submitted by DMAD to the Ministry have inadequacies and may be reviewed and re-structured suitably.

Role of NGOs: NGOs involvement could be significantly increased if they are involved in the process of information of groups under DWCUA and Thrift and Credit Societies. They could be used as pressure groups to bring about social pressure on defaulting borrowers.

WEST BENGAL

The Study Team of IIPA has observed that training given in various trades to women below poverty line have resulted in remarkable change of attitude, behaviour and tremendous change in their earnings. The women

beneficiaries were able to cross the poverty line in urban areas of Gayeshpur and New Barrakpur towns with financial assistance from Swarna Jayanti Sahari Rozgar Yojana (SJSRY).

The study team observed, the three main factors which effect the community organizations/structures most namely conducive Politico-Administrative milieu, the average size of Neighbourhood Groups (NHGs) for effective devaluation of power and uninterrupted, steady and adequate flow of funds for sustainability of Community Organisation. With the incentive to key functionaries, Resident Community Volunteers (RCVs) and Community Organisers (COs) can play a crucial role in the society bringing major changes in quality leadership, capacity building, health care and literacy etc. were found in the focus towns.

The team observed that the success of SJSRY programme depends on smooth flow of funds from Centre to State in respect of component-wise budget and finally the cooperation of the banks in the matters of release of financial Assistance. In a vast geographical area a rigid schematic approach may be counter productive. At the Centre level the Scheme need to be relooked as estimated by expert groups on urban poverty anomalies. The team further suggested that the system of releasing funds to Urban Local Bodies (ULB) from State Urban Development Agency (SUDA) should be changed for effective implementation of SJSRY programme.

The role of Thrift and Credit Societies and Vocational Training in different trades have immense impact among the urban poor resulted major changes in skill formation/up-gradation, confidence building all focused towards self-reliance if they are linked with Community Development Society (CDS). The CDS initiative increases the depositor confidence and access to resources. If the revolving fund amount is increased these organizations can also finance most of the loans which banks rejected. The team also opined that industrial development and Banks have unfavourable attitude towards DWCUA groups and micro-enterprises.

The team observed that spending Urban Wage Employment Programme (UWEP) funds seems to be the easiest. Its poverty reduction effects, on a sustainable basis, are the least. The involvement of community organizations also is often peripheral. Both these shortcomings

can be, at best, partially removed by building income-generating assets and effective devolution of financial control over UWEP expenditures to the community organizations.

In spite of various set back, the Government of West Bengal has done a commendable job in setting up meaningful community organizations. The State has also shown some flexibilities in order that maximum benefits are extended to the poor under the constraints imposed by schematic budget and procedures.

RAJASTHAN

Estimates of urban poor: Comparison of three different sets of data base suggests huge inaccuracy in estimation of incidence of poverty and targeting under SJSRY.

The study recommended estimates of urban poverty need to be revisited by using a more sensitive set of indicators that can assess vulnerability.

SJSRY achievement at the State and in sampled cities: Achievements under the Programme have been low both for outreach and credit assistance, Community Structure formed under the Programme are largely at the city level without the basic building blocks (NHG & NHC) and have overlapping membership.

The State needs to set a time frame within which it will achieve universal coverage. Survey data may be updated. Municipal capacity, both in terms of staff and their skill, needs to be enhanced.

Profile of beneficiaries provided loans: More loans were disbursed in larger cities. Women, on an average, received larger loans. One fourth of the loan beneficiaries, had studied beyond matriculation and were ineligible for receiving credit under the Scheme.

Erroneus targeting for loan is the primary reason for fund leakage. Project staff were inappropriately qualified and lack training to handle the activities.

Nature of credit assistance and repayment: Loan is provided both for capital cost and recurring expenses. Majority of people were repaying loans regularly, yet, loan release system by the banks remained low.

State may develop a MIS system to keep track of loans and to hold quarterly meetings with bank officials to share data about loan recovery.

Targeting: Though accuracy of targeting BPL families for credit assistance was high, the income estimates based on reported incomes are questionable.

Socio-economic survey by using participatory tools may be used for targeting. ULB staff must be trained. Surveys need to be regularly updated. Overlapping schemes, targeting the same set of communities, with different rates of subsidy need to be merged.

Training for self entrepreneurship: Training component has been weak due to poor utilisation of capacity building efforts.

State needs to clearly articulate its strategy for capacity building through private sector participation, increasing training potential of small cities and developing an MIS to ensure better targeting and follow up of training/credit assistance.

UrbanWage Employment Programme: Very few works have been undertaken under the wage employment. Wage employment is an intermittent activity with cycles of employment and unemployment and is unable to make a sustainable impact on poverty.

UWEP needs a clear startegy: ULBs need to change. Civil work contracting norms and ensure greater transparency. Wage employment must be linked with skill training.

Community Development Societies: CDS was not seen as a means of women's empowerment and civil society partners were not engaged in the process of CDS formation. Lack of involvement of officials in community organisation and low priority given to development programmes was the reason for the poor success of the programme.

Officials engaged for organizing community activities must have appropriate skills and aptitude. CDS groups may be reformed at the settlement level with NHGs and NHCs and leadership amongst women may be nurtured.

Thrift and Credit Societies: None of the T&C Groups have provided credit to members for addressing personal emergencies, T&Cs, CDS and DWCUA Groups overlapped with common membership reducing further coverage under the programme.

Programme officers need to clearly understand the purpose behind T&C Group formation. Matching grant provision needs to be dispensed with as it leads to unsustainable groups. Savings groups must be brought together to address small emergency needs.

Development of Women and Children in the Urban Areas (DWCUA): Only a few DWCUA groups were found indicative of a dismal

success rate. Reasons for poor performance under DWCUA were: lack of community confidence in working together, lack of awareness on choice of enterprise, lack of skills in marketing and delay in release of funds from the banks.

DWCUA groups organised on a spatial or common interest networks would be useful as confidence building measures. Problems regarding release of funds need to be sorted out by discussing the matter with the banks.

Banks: Procedure of sanctioning loans was tedious. Delay in release of funds by banks due to time lag in release of subsidy to banks. Banks officials feel that the scheme lacks teeth for loan recovery.

Bank confidence can be enhanced through peer pressure for loan recovery. State must take initiative to resolve banking problems.

Capacity of ULB functionaries: Capacity of ULB functionaries was low both in terms of required staff, qualifications and training.

Persons with suitable qualifications must be deployed. All officials must be provided training. Sufficient number of community organizers must be inducted into the Programme.

Involvement of NGOs: Smaller cities do-not have NGOs to support training.

NGO participation must be encouraged under the Programme.

Monitoring of Programme Implementation: None of the municipalities have computerized the information. Monitoring is generally done by the ULBs along with the banks officials once in a month.

There is a need to computerize the data base and develop a MIS to keep track of loans and impact assessments.

UTTAR PRADESH

Recommendations:

- Based on the responses received from various respondents (SUDA/ DUDA officials, Members of NHGs, NHCs and CDSs. Bank officials etc.) and our own observations in the field, the following recommendations have been made:

- Issue of bribery needs immediate attention. During the formal interviews/contacts, the magnitude of the problem did not appear to be that grave as we came to know through informal dicussions. Strong measures have to be instituted to detect and punish malpractices like bribery.

- For Poverty Alleviation Programmes to have impact in reducing/ removing poverty, there is a need for regular monitoring of programmes by independent bodies (those who are not involved in the implementation).

- Proper use of funds and material benefits given to beneficiaries under any programme must be ensure to make the programme successful.

- The training courses offered under USEP need to be tailored in accordance with the local situations. More emphasis should be given on practical training under these courses. These courses should also include basic concepts on financial management and marketing.

- Efforts must be taken to maintain the Management Information System (MIS) at the community level, as the town is the focal point at which all urban development programmes are being implemented. Functionaries at the grass root level and those who are responsible to maintain records and registered need to be oriented from time to time. Staff should be equipped with hi-tech ways and means for better maintenance of records and effective monitoring of the programmes.

- Efforts must be made to involve Non-Governmental Organisations (NGOs) in the Urban Development Programmes to ensure wider outreach.

- For wage employment programmes, labour rates need to be reviewed more realistically and in a differentiated manner based on local specific market situations. Involvement of contractors for engaging labour needs to be looked into.

- Delays in the release of funds should be strictly controlled, particularly for construction work, as it slows down the progress, causes cost escalation and affects the quality of the end product.
- Some mechanism must be developed to put all details regarding programmes and activities to be undertaken on the notice boards of the BUDA in time and on regular basis to make the community aware and avail of the benefits.
- There is a need for watch out for identifying beneficiaries under different programme in accordance with the laid-out guidelines of the Ministry. All pros and cons of each and every programme need to be explained to the community.
- As part of the programme, the money spent on conveyance by RCV and Member of NHGs, NHCs and CDSs should be reimbursed, only then the programmes will be promoted.
- There must be provision of honorarium for CDS Members so that they can be motivated for active participation.
- Under self-employment programme, the training component is weak, as only one out of 5 beneficiaries reported to have received any training. It is, therefore, recommended that due emphasis should be given to the training of beneficiaries.
- Implementers should ensure that all beneficiaries should get tool-kit either free of cost or on subsidized rates after they satisfactorily complete the training.
- Some proper mechanism/channels should be developed for marketing the produce of beneficiaries so that they would get maximum profit.
- Hardly 5 per cent of beneficiaries reported functioning of Thrift and Credit Societies in their area. It is suggested that due emphasis should be given by NHGs to establish these societies seeing their importance in the successful implementation of the programme.
- The programme lacks in sustainability. So, there is a promising need of developing some mechanism for the sustainability of the programme.